

LBJ Backs CIA Conduct On Funds

Panel Says Agency
Followed U.S. Policy
Under 4 Presidents

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President Johnson yesterday upheld the Central Intelligence Agency's conduct in secretly providing millions of dollars to private U.S. organizations that operate abroad.

The President endorsed a preliminary finding by Under Secretary of State Nicholas deB. Katzenbach that praised the CIA's support of the private groups and that said the clandestine agency's actions were in keeping "with national policies established by the National Security Council in 1952 through 1954."

In releasing the Katzenbach report, Mr. Johnson, appeared to be moving the position of his Administration toward one of strong support for the beleaguered CIA.

Unaware of Subsidy

Only last week, a high official, speaking at the President's behest, said Mr. Johnson was "totally unaware" of the large CIA subsidy to the National Student Association.

The revelation of the 14-year CIA-NSA link triggered a wave of protests and led directly to the exposure of a wide CIA network that pumped funds, through private foundations, into labor, education, religious, women's, political and research groups.

The resulting controversy, however, soon brought firm support for the CIA from such influential figures on Capitol Hill as Sen. Richard B. Russell (D-Ga.), chairman of the CIA oversight panel, and Sen. Robert F. Kennedy (D-N.Y.), who played a role in his years as Attorney General in expanding CIA aid to the non-Communist Left in the underdeveloped world.

Aid Withdrawn

In the meantime, CIA Director Richard Helms let it be known, through Sen. Russell, that his agency was withdrawing its covert aid to non-government groups.

It was in this climate of rising sympathy for the CIA's funding activities that the President asked Katzenbach to present a preliminary report. The request came at a White House reception for members of Congress, held Tuesday night.

Katzenbach responded with

a five-paragraph letter that said:

"The CIA acted, at all times, with the approval of senior interdepartmental review committees, including the Secretaries of State and Defense. These policies have therefore been in effect under Presidents Truman, Eisenhower, Kennedy and Johnson.

"The CIA's financial aid enabled many far-sighted and courageous Americans to serve their country in times of challenge and danger to the United States and the free world."

"The CIA remains 'indispensable' to U.S. security. It is thus 'vitally important' that the controversy not be allowed to obscure the value, or impede the effectiveness, of competent and dedicated career officials serving this country."

The Under Secretary of State said he should be able to present Mr. Johnson with a final report on the CIA inquiry in early March. Last week, Mr. Johnson named Katzenbach, Helms and Secretary of Health, Education and Welfare John Gardner to inquire into the broad range of issues raised by the wave of CIA disclosures.

The change in mood within the highest councils of the Government—reflected by the announcement that the President "agrees" with Katzenbach's favorable comments—came quite rapidly.

Four days ago, HEW Secretary Gardner said "it was a mistake" for the CIA ever to entangle itself in covert activities close to the field of education. . . . And on the same day, Vice President Humphrey, speaking at California's Stanford University, asserted that he was "not at all happy" with the CIA's involvement in student groups.

Throughout the controversy, it has never been fully clear how much Mr. Johnson personally knew of the CIA's role in backing private groups. The Katzenbach letter appeared to imply that the President had delegated these responsibilities to the highly secret "review committees" that handled the matter for him.

Yesterday, the White House again refused to shed any light on this question. "I can't draw any inference on this," George Christian, the President's news secretary, told reporters.

It was recalled, however, that Mr. Johnson, as a Senator from Texas, served as a member of the CIA watchdog subcommittee between 1957 and 1960. The panel was kept fully advised of the CIA's involvement during a time that the agency's dealing with the private groups were being formed and expanded.

The apparent decision of the Johnson Administration to absolve the CIA was not universally applauded on Capitol Hill.

Soon after the White House issued and approved the Katzenbach findings, Sen. Gaylord Nelson (D-Wis.) said in a speech that the CIA funding of the NSA was "an act of out-and-out dishonesty." Nelson urged that Congress investigate "an alarming trend in this country toward the use of police-state tactics."